

RECORDATION NO. 28066 FILED

OCT 28 '09 -9 00 AM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

October 28, 2009

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated October 28, 2009, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Secured Party: Export Development Canada
151 O'Connor Street
Ottawa, Ontario K1A 1K3
Canada

Borrower: Brandt Road Rail Inc
c/o Brandt Road Rail Corporation
P.O. Box 1876, 302 Mill Street
Regina Saskatchewan
CANADA

Anne K. Quinlan, Esquire
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A description of the railroad equipment covered by the enclosed document is:

1 Brandt Model 6000 Power Unit, S/N 1NPTXBEX69D779252.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



✓ Robert W Alvord

RWA/sem
Enclosures

OCT 28 '09 -9 00 AM

MEMORANDUM OF SECURITY AGREEMENT**SURFACE TRANSPORTATION BOARD**

This Memorandum of Security Agreement, dated October 28, 2009 (this "Memorandum"), is made by and between Brandt Road Rail Inc., a Delaware corporation (the "Borrower"), in favor of Export Development Canada, a corporation established by an Act of the Parliament of Canada ("EDC") with respect to that certain Security Agreement, dated October 28, 2009 (the "Security Agreement") made by the Borrower in favor of EDC and that certain Loan Agreement, dated October 28, 2009 (the "Loan Agreement" and together with the Security Agreement, the "Agreements"), by and between the Borrower and EDC. All capitalized terms used but not defined herein shall have the meanings given such terms in the Agreements.

WITNESSETH

Pursuant to provisions of the Agreements, EDC and Borrower hereby affirm and acknowledge that:

1. EDC has agreed to make a loan to the Borrower and the Borrower has agreed to borrow such loan from EDC pursuant to the Loan Agreement and the Borrower has agreed to grant to EDC a first priority lien and security interest in the following property in order to secure its obligations under the Loan Agreement:

All of the Borrower's right, title and interest in the following property (the "Collateral"):

(a) that certain Brandt Model 6000 Power Unit, consisting of a 2009 Peterbilt 367 Engine equipped with Rail/Tie Loader and Auxiliary Air Compressor Built New in 2009 with a serial number of 1NPTXBEX69D779252 (the "Railroad Equipment");

(b) that certain Master Lease Agreement, dated January 27, 2009 (the "Contract"), by and between the Borrower, as Lessor, and The Kansas City Southern Railway Company, a Missouri corporation, as Lessee, and all amounts due thereunder including without limitation, rent, insurance proceeds and any payments of any kind for or with respect to the Railroad Equipment payable thereunder, and including all rights of the Borrower to execute any election or option or to give any notice, consent, waiver or approval under or in respect of the Contract or to accept any surrender of the Railroad Equipment or any part thereof, as well as rights of the Borrower, whether arising under the Contract or by statute or at law or equity, or otherwise, arising out of any default and to do all other things necessary which the Borrower is or may be entitled to under the Contract;

(c) all general intangibles (as defined in Article 9 of the Uniform Commercial Code as in effect in the State of Delaware from time to time (the "UCC")) whether now existing or hereafter arising or acquired, and wherever located, arising out of the Railroad Equipment, the Contract and all other contracts arising out this Railroad Equipment; and

(d) all substitutions, replacements, accessions and additions to the foregoing property (notwithstanding that power of sale is limited by agreement), whatever may be received upon sale, exchange or other disposition thereof (including such receipts and proceeds in whatever form) including without limitation trades, exchanges, goods, money and all insurance proceeds payable by reason of loss of or damage to the Collateral, whether now existing or hereafter arising or acquired, and wherever located.

2. EDC and the Borrower further acknowledge and affirm that this Memorandum is not a summary of either of the Agreements nor is it a complete recitation of the terms and provisions thereof. Accordingly, EDC and the Borrower hereby agree that in the event of a conflict between this Memorandum and the Agreements, the provisions of the Agreements shall control.
3. This Memorandum is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301.
4. The Agreements shall be effective October 28, 2009.


[Signature Pages Follow]

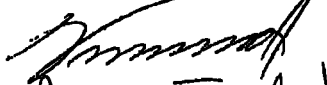
IN WITNESS WHEREOF the parties hereto have signed and delivered this MEMORANDUM
OF SECURITY AGREEMENT as of the date first written above.

BRANDT ROAD RAIL INC.

Signature: 
(Print Name): GAVIN SEMPLE

EXPORT DEVELOPMENT CANADA

Signature: 
(Print Name): Stephen Hubert

Signature: 
(Print Name): Pierre Trudel
Financing Manager

I, Nadine Sciacca, a notary public in and for the Province of Ontario, Canada, duly appointed, commissioned and sworn, and practicing at 151 O'Connor Street, in the City of Ottawa, in the Province of Ontario, DO HEREBY CERTIFY that:

I was personally present and did see this Memorandum of Security Agreement duly signed and executed at 151 O'Connor Street, Ottawa, Ontario, Canada on behalf of Export Development Canada by Pierre Trudel and Stephen Hebert of Export Development Canada. I know the signatories personally and attest that they are both Financing Managers of Export Development Canada, that their signatures are in their proper handwriting, and that they are duly authorized to sign this Memorandum of Security Agreement on behalf of Export Development Canada.

IN TESTIMONY of which I have subscribed my name and affix my notarial seal at the City of Ottawa, Province of Ontario, this 21st day of October 2009.

Nadine Sciacca

Nadine Sciacca
A Notary Public in and for the Province of Ontario
My commission does not expire

REGINA, SASK
State of _____ ss.:

On this 26 day of October 2009, before me personally appeared GAVIN SEMPLE, to me personally known, who, by me being duly sworn, says that he is the PRESIDENT of BRANDT ROAD RAIL INC., that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kevin Sereda

Notary Public

Notary Public My Commission Expires: June 30, 2011

KEVIN SEREDA
A Commissioner for Oaths in and for
Saskatchewan
My Appointment expires Oct. 31, 2009



CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated:

10/28/09



Robert W Alvord